

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

STARRED QUESTION NO:366
ANSWERED ON:18.04.2002
FLOATING OF GLOBAL TENDERS
T.M. SELVAGANAPATHI

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government have taken any decision to adopt the Policy of floating of global tenders to enable the emergence of competitive prices instead of relying on a particular country for defence equipments;
- (b) whether the Government have received any suggestions in this regard;
- (c) if so, the details thereof;
- (d) whether many western arms companies have shown keen interest to supply defence equipments to the country; and
- (e) if so, the details thereof?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 366 FOR 18.4.2002

The Ministry of Defence is currently following the Defence Procurement Procedure which was issued on 28.2.1992. Once the Service qualitative requirements have been finalised and the decision is taken to import the equipment/weapon system due to non-availability of indigenous suppliers, prospective manufacturers and suppliers are short-listed in consultation with the Defence Research and Development Organisation (DRDO)/Department of Defence Production & Supplies (DDP&S)/Military Attaches posted abroad. The short-listed manufacturers of the selected equipment/weapon system are asked to send the equipment/weapon system to India for trials/evaluation on no-cost no-commitment basis, wherever possible the procedure provides for wide publicity for the procurement process. After evaluation of the trial report, the successful manufacturers are asked to send technical and commercial bids.

2. The selection of vendor is generally not country specific. However, since the supply of equipment/weapon system may require transfer of technology, system upgrades, training, maintenance, etc., the relationship with the vendor has to be a long-term and continuous one.

3. Procurement of equipment/weapon system for the three Services and other Defence Organisations is an ongoing process. It is dictated by the assessment of the Services and Defence Organisations based on threat perception and changing international scenario. Important arms equipment manufacturers including those from western countries continuously send technical details about their equipment/weapon systems to the MOD which are evaluated as and when the need arises and called for trial evaluation on a competitive basis.